GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands - APIIC Limited – Permission to APIIC for conversion of another 100.00 Acs of land from lease to outright sale in favour of M/s.Apache SEZ Development India (P) Ltd., which is a 100% holding Company of M/s.Apache Investment Holdings (P) Ltd., from out of 313.57 Acs near Mambattu (V), Tada (M), SPSR Nellore District on achieving the second employment milestone of more than 10,000 employees – Orders - Issued.

==========

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 69 Dated: 25-05-2018

Read the following:

1. Memorandum of Understanding, dt.06.01.2006 entered between GoAP & M/s.Apache Investment Holdings (P) Ltd.
2. G.O.Ms.No.39, Ind & Com (SSI) Dept, dt.03.02.2006.
3. G.O.Ms.No.13, Ind & Com (INF) Dept, dt.05.03.2010.
4. From the VC&MD, APIIC Ltd., Vijayawada Lr.No.2053/APACHE /Mambattu(v)/2006, dt.19.08.2016, 11.12.2017 & 06.04.2018.

****

ORDER:

In the reference 1st read above, an MoU, has been entered between GoAP & M/s.Apache Investment Holdings (P) Ltd., which envisage certain obligations on both the parties, besides the general provisions. As per the MoU GoAP has to allot 314.57 Acs of Industrial land to Apache near Mambattu (V), Tada (M), Nellore Dist at Rs.1/- lease for (25) years for developing an SEZ and to set up world class manufacturing facility for Adidas Sport shoes. M/s.Apache Investment Holdings (P) Ltd., has to invest Rs.200 Crores in fixed assets within (4) years from the date of getting approval and to increase the investment over Rs.500 Crores over a period of (5) years to establish a sector specific SEZ for footwear Industry and to begun development of the SEZ & construction of its production facility to start production by the end of 2006 (1st Phase).

2. In the reference 2nd read above, orders were issued approving the MoU entered between GoAP & M/s.Apache Investment Holdings (P) Ltd., on 06.01.2006 for establishment of Footwear Manufacturing Units at Tada, Nellore Dist with the facilities of (i) allotment of 314.57 Acs of Industrial land in Mambattu (V), (ii) concessions as applicable to SEZ area and (iii) Training assistance of Rs.1,000/- per employee per Month for a period of (12) months i.e. Rs.12,000/- per employee for one year. The Company was requested to immediately ground the Project & to establish the required Infrastructure/Manufacturing units and the LIDCAP was ordered to coordinate with the Company for grounding the Project by end of February, 2006 and to liaise with APIIC for handing over of 314.57 Acs of Government/Endowment land to the Company.

3. According to the provision contained in Clause (1) of the MoU "on reaching employee count of 15,000 or more workers (including piece rate workers & independent contractors working in SEZ) Government will provide Apache & its successors all of the Government rights, title & interest in the said land and will agree to exercise option by Apache for assigning, transfer & convey such rights to its successors, as soon as Apache's employee count reaches 15,000 or more, though Apache has not fulfilled its other obligations under the Agreement and thereafter number of employees falls below 15,000 for any reason and if the lease period of (25) years has by then expired."

4. In the reference 3rd read above, the above clause stands amended to the extent that "Government hereby agrees to provide Apache and its successors and assigns the option to transfer full rights of the land allotted in term of the employment generated in the SEZ by M/s.Apache Investment Holdings (P) Ltd., through its Indian subsidiary Company M/s.Apache Footwear India (P) Ltd." In terms of said amendment and considering the employment of 5,732 people provided by the Company, Government have approved for transfer of full rights on an area of 100.00 Acs out of the allotted land on pro rata basis, to M/s.Apache SEZ Development India (P) Ltd., subject to utilization of the land for setting up of ancillaries/suppliers to the Apache Footwear SEZ.

5. In the reference 4th read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada has submitted proposal to Government for transfer of another 100.00 Acs on outright sale & registration of land in favour of M/s.Apache SEZ Development India (P) Ltd., out of 313.57 Acs allotted at Mambattu (V), Tada (M), SPSR Nellore Dist, based on the request, dt.25.07.2016 of the Company. The VC&MD, APIIC Ltd., has stated that the said land of 313.57 Acs was allotted to the Company on lease basis for a period of (25) years @ Rs.1/- per Acre over the subject

(P.T.O.)

area basing on the MoU executed on 06.01.2006 with GoAP and based on G.O.Ms.No.39, Ind & Com (SSI) Dept, dt.03.02.2006. Accordingly advance possession for 234.14 Acs & 79.43 Acs were handed over to the Company on 24.02.2006 & 11.03.2006 respectively. Further, based on G.O.Ms.No.13, Ind & Com (INF) Dept, dt.05.03.2010 the APIIC has transferred the ownership of 100.00 Acs land out of 313.57 Acs in favour of M/s.Apache SEZ Development India (P) Ltd., through registered sale deed on 17.03.2010 on reaching of the milestone of employment of more than 5,000 people. In the backdrop of the same, proposal for transfer of another 100.00 Acs on outright sale is recommended on the ground that the Company has achieved the 2nd milestone of employment to 10,089 people stating that the said number (10,375) was confirmed by the ADC, VSEZ vide his Lr.dt.03.05.2016.

6. The VC&MD, APIIC Ltd., has confirmed that as per the field verification carried out, there are 10,394 employees are working in (3) shifts in M/s.Apache Footwear India (P) Ltd., and 126 employees are working in M/s.Apache SEZ Development India (P) Ltd., and stated that the particulars in this regard such as list of employees, EPF statements & employment confirmation of DC, VSEZ were also submitted to Government and it is construed that the Company has exceeded 10,000 employee based on which decision has to be taken for conversion of another 100.00 Acs of land from lease to outright sale as per G.O.Ms.No.13, Ind & Com (INF) Dept, dt.05.03.2010. The VC&MD, APIIC Ltd., has therefore requested the Govt to issue necessary orders for conversion of another 100.00 Acs of land from lease to outright sale in favour of M/s.Apache SEZ Development India (P) Ltd., which is a 100%holding Company of M/s.Apache Investment Holdings (P) Ltd., from out of 313.57 Acs subject to condition that the land transferred shall be utilized for setting up of ancillaries/suppliers to the Apache Foot wear SEZ.

7. Government, after careful examination of the proposal of the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada, hereby Permit the APIIC Ltd., for conversion of another 100.00 Acs of land from lease to outright sale in favour of M/s.Apache SEZ Development India (P) Ltd., which is a 100% holding Company of M/s.Apache Investment Holdings (P) Ltd., from out of 313.57 Acs of Industrial land near Mambattu (V), Tada (M), SPSR Nellore District on achieving the second employment milestone of more than 10,000 employees, subject to condition that the land transferred shall be utilised for setting up of ancillaries/suppliers to the Apache Foot wear SEZ and subject to ensuring that all the components of the Agreement are implemented in toto.

8. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, Vijayawada shall take further necessary action in the matter accordingly.

9. This order issued with the concurrence of Finance (FMU-Rev, I&C & Energy) Department vide their U.O.No.45027/151/FMU-Rev, I&C & Energy/2018, dt.14.05.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520008.

Copy to:

The Commissioner of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.
The P.S. to Principal Secretary to C.M. (GSP), A.P. Secretariat, Amaravathi, Velagapudi.
The P.S. to Hon'ble Minister for Industries & Commerce, A.P. Secretariat, Amaravathi, Velagapudi.
The P.S.to Secretary to Government & CIP, A.P. Secretariat, Amaravathi, Velagapudi.
SF/SC.

//FORWARDED BY: ORDER//

SECTION OFFICER